

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2715 - SB 2882

May 28, 2020

**SUMMARY OF ORIGINAL BILL:** Authorizes a \$1,000 cash supplement for emergency medical professionals employed by a government agency who successfully complete an annual in-service training course at a school certified or established by the Board of Emergency Medical Services (EMS).

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures –

Exceeds \$10,389,600/FY20-21

Exceeds \$10,385,300/FY21-22 and Subsequent Years

Other Fiscal Impact – The Board of Emergency Medical Services had a deficit of \$149,731 in FY17-18 and a deficit of \$173,669 in FY18-19.

**SUMMARY OF AMENDMENT (017846):** Changes the effective date from July 1, 2020 to October 1, 2020.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures –

Exceeds \$7,793,300/FY20-21

Exceeds \$10,385,300/FY21-22 and Subsequent Years

**Other Fiscal Impact – The Board of Emergency Medical Services had a deficit of \$149,731 in FY17-18 and a deficit of \$173,669 in FY18-19.**

Assumptions for the bill as amended:

- Based on information provided by the Department of Health (DOH), there are currently 20,673 emergency medical service personnel with a certification license in good standing issued by the Board of EMS.
- The growth rate in emergency service personnel positions in this state is unknown, but is assumed to increase over time.
- It is estimated 50 percent of these individuals, or 10,337 (20,673 x 50.0%), will complete an annual in-service training course in FY21-22 and subsequent years.

- The increase in state expenditures associated with the \$1,000 supplement is estimated to exceed \$10,337,000 ( $10,337 \times \$1,000$ ) in FY21-22 and subsequent years.
- Due to the October 1, 2020 effective date, the first-year impact (FY20-21) is estimated to be 75 percent of the full-year impact, for an increase in state expenditures estimated to exceed \$7,752,750 ( $\$10,337,000 \times 75.0\%$ ) in FY20-21.
- The EMS Board cannot accommodate the proposed legislation utilizing existing resources and will require one Regulatory Board Administrative Assistant 1 position to process and maintain the required documentation and to ensure funds are distributed and used as provided in accordance to the promulgated rules of the Board.
- The one-time increase in state expenditures associated with the position is estimated to be \$4,300 (\$1,600 computer + \$2,700 office furniture) in FY20-21.
- The recurring increase in state expenditures is estimated to be \$48,329 (\$27,324 salary + \$11,105 benefits + \$7,900 administrative cost + \$1,400 communications + \$600 supplies) in FY21-22 and subsequent years.
- Due to the October 1, 2020 effective date, the increase in state expenditures associated with recurring expenditures in FY20-21 is estimated to be \$36,247 ( $\$48,329 \times 75.0\%$ ).
- The total increase in state expenditures in FY20-21 is estimated to exceed \$7,793,297 ( $\$7,752,750 + \$4,300 + \$36,247$ ).
- The total increase in state expenditures in FY21-22 and subsequent years is estimated to exceed \$10,385,329 ( $\$10,337,000 + \$48,329$ ).
- The EMS Board is required to collect fees in an amount sufficient to pay the costs of operating the Board. All fees collected by the Board are deposited by the DOH with the State Treasurer to the credit of the General Fund and shall be expended by the Department and included in the appropriation made for the Board in the *General Appropriations Act*.
- The EMS Board had a net deficit of \$149,731 in FY17-18 and a deficit of \$173,669 in FY18-19.
- It is assumed that a recurring appropriation from the General Fund will be required to fund the emergency medical service personnel supplements.

## CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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